

CONSUMER CREDIT EDUCATION

CONSUMER FINANCE

Study Units

Indiana Department of Financial Institutions

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INTRODUCTION

Many young people fail in the management of their money, establish bad financial management habits, and stumble through their lives learning by trial and error. The Department of Financial Institutions objective is to encourage curriculum enrichment to insure that basic personal financial management skills are attained during the High School educational experience. Most high school students graduate with few of the personal financial skills they need to support themselves. There is serious concerns about young people's ability to make educated financial decisions once they're out on their own.

Study Units

Consumer Finance was developed to assist educators in teaching the topics of managing finances. It is designed for use with students in economics, consumer economics, business education, home economics, or law-related courses, as well as adult and community education programs on finances.

The purpose of the study unit is threefold:

1. To increase student awareness of the role played by individuals, creditors, credit bureaus, banks, and investment managers.
2. To increase student understanding of the management of finances.
3. To help consumer develop skills in money management and the basics of savings and investment.

Content and Organization

Consumer Finance contains separate units which can be used singly or in conjunction with the other units. The unit is designed so instructors can teach one or more, depending on the time available and the needs of their students. Unit 1 provides an overview of basic financial planning, savings, and investment. Although it provides a good foundation for studying financial management, all units are self-contained and do not depend on the use of specific activities from a previous unit to meet their instructional objectives. A pretest provided for each unit may be used to assess student knowledge and help an instructor select appropriate units and topics to teach.

Each unit contains individual topics focusing on specific concepts or skills. Several learning activities and a variety of teaching strategies are used to meet the topic's instructional objective. Instructors may select topics and activities within a unit that are most appropriate for use with their students and their individual teaching styles.

Units are developed sequentially. Earlier topics present basic information, concepts, and skills that provide students with the necessary background to study the topics and concepts that follow. For example, in Unit 1, students first learn about financial planning and reasons why people use budgets and financial plans to meet their financial goals. Later they study the pros and cons of different types of investments and the factors to consider when deciding how to manage their money.

Using *Consumer Finance*

Each topic is designed to be taught during a class period of 40-45 minutes. If individual class periods are shorter, an instructor may wish to limit the number of activities used to teach a topic or use more than one class period. Additional class time also may be needed to develop, conduct, or follow up on the role playing and simulation activities.

Four or five topics are covered in each unit. Therefore, a unit may be taught during a one- or two-week period, depending on the use of role play and simulation activities, the amount of class time available, the level and background of students, the number of topics and activities used, and the use of additional materials.

Prior to teaching a topic, an instructor should carefully review the learning objective for the topic, the list of materials needed, and topic directions printed in the instructions for each unit. In addition, transparencies, readings, student exercises, case studies, flow charts, etc. contain information that an instructor may wish to review before using these materials in class. Although topic directions and student materials are designed to provide the instructor with all the information needed to teach a topic, role play, and simulation activities may require some additional preparation such as a test run.

All materials needed to teach **Consumer Finance** are included in the instructional package. Besides topic directions, each unit contains an introduction, key concepts and definitions of key terms used in the unit, and an answer key. The individual sheets

following each unit are "masters" which an instructor may use to make overhead transparencies and classroom sets of student materials needed to teach each topic. Updates to **Consumer Finance**, as well as additional units when they are available, will be available at this Web Site:

Units can be downloaded in Word, Adobe, and as presentations in Power Point.

UNITS OF STUDY

<ul style="list-style-type: none">• Unit 1 - Basic Financial Planning, Savings & Investment
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CONSUMER INFORMATION

Web Sites:

The **Federal Trade Commission** has a Web Site which also gives information on many consumer credit topics at: <http://www.ftc.gov/> .

Indiana Department of Financial Institutions (DFI) Brochures at:
<http://www.dfi.state.in.us/conscredit/Lists/LIST%20CREDIT%20BROCHURES.htm>

Jump\$tart Coalition for Personal Financial Literacy at:
<http://www.jumpstartcoalition.org/>
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Washington, DC 20006

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